

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 306**  
**95TH GENERAL ASSEMBLY**

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Reported from the Committee on Health, Mental Health, Seniors and Families, March 12, 2009, with recommendation that the Senate Committee Substitute do pass.

0817S.05C

TERRY L. SPIELER, Secretary.

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**AN ACT**

To amend chapter 208, RSMo, by adding thereto fourteen new sections relating to the show-me health coverage plan.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 208, RSMo, is amended by adding thereto fourteen  
2 new sections, to be known as sections 208.1300, 208.1303, 208.1306, 208.1309,  
3 208.1312, 208.1315, 208.1318, 208.1321, 208.1324, 208.1327, 208.1330, 208.1333,  
4 208.1336, and 208.1345, to read as follows:

**208.1300. As used in sections 208.1300 to 208.1345, the following**  
2 **terms shall mean:**

3 (1) "Plan", the show-me health coverage plan established in  
4 section 208.1303;

5 (2) "Preventive care services", care that is provided to an  
6 individual to prevent disease, diagnose disease, or promote good  
7 health.

**208.1303. 1. Subject to appropriations, the "Show-me Health**  
2 **Coverage" plan is hereby established.**

3 **2. The department of social services shall administer the plan.**

4 **3. The department of insurance, financial institutions and**  
5 **professional registration and the MO HealthNet division of the**  
6 **department of social services shall provide oversight of the marketing**  
7 **practices of the plan.**

8 **4. The department of social services shall promote the plan and**  
9 **provide information to potential eligible individuals.**

10 **5. The department of social services shall, to the extent possible,**  
11 **ensure that enrollment in the plan is distributed throughout Missouri**

12 in proportion to the number of individuals throughout Missouri who  
13 are eligible for participation in the plan.

14 6. The MO HealthNet division shall establish standards for  
15 consumer protection, including the following:

- 16 (1) Quality of care standards;
- 17 (2) A uniform process for participant grievances and appeals;
- 18 (3) Standardized reporting concerning provider performance,
- 19 consumer experience, and cost.

20 7. Premiums for such plans under sections 208.1300 to 208.1345  
21 shall be charged based on actuarially sound principles consistent with  
22 section 208.178.

208.1306. 1. The plan shall provide for every participating  
2 individual a health care home as defined in rules promulgated by the  
3 department of social services.

4 2. The plan shall include the following medically necessary  
5 services in a manner and to the extent determined by the MO HealthNet  
6 division:

- 7 (1) Mental health care services;
- 8 (2) Inpatient hospital services;
- 9 (3) Prescription drug coverage;
- 10 (4) Emergency room services;
- 11 (5) Physician and advanced practice nurse services;
- 12 (6) Diagnostic services;
- 13 (7) Outpatient services;
- 14 (8) Home health services;
- 15 (9) Urgent care center services;
- 16 (10) Preventive care services;
- 17 (11) Family planning services:
  - 18 (a) Including contraceptives and sexually transmitted disease
  - 19 testing, as described in federal Medicaid law, 42 U.S.C. 1396, et seq.; and
  - 20 (b) Not including abortion or abortifacients, except as required
  - 21 in federal Medicaid law, 42 U.S.C. 1396, et seq.;
- 22 (12) Hospice services;
- 23 (13) Substance abuse services;
- 24 (14) Federally qualified health center and rural health clinic
- 25 services;
- 26 (15) Durable medical equipment;

- 27           (16) Emergency transportation services;  
28           (17) Personal care services;  
29           (18) Case management, care coordination, and disease  
30 management; and  
31           (19) Therapy services including physical, occupational, and  
32 speech therapy.

33           3. The plan may not permit treatment limitations or financial  
34 requirements on the coverage of mental health care services or  
35 substance abuse services if similar limitations or requirements are not  
36 imposed on the coverage of services for other medical or surgical  
37 conditions.

208.1309. 1. The plan shall, subject to appropriations, provide to  
2 an individual who participates in the plan a list of health care services  
3 that qualify as preventive care services for the age, gender, and  
4 preexisting conditions of the individual. The plan shall consult with  
5 the federal U.S. Preventive Services Task Force for a list of  
6 recommended preventive care services.

7           2. The plan shall, at no cost to the individual, provide payment  
8 for at least five hundred dollars of qualifying preventive care services  
9 per year for an individual who is eligible based on subdivision (2) of  
10 subsection 1 of section 208.1318. Any additional preventive care  
11 services covered under the plan and received by an individual who is  
12 eligible based on subdivision (2) of subsection 1 of section 208.1318 are  
13 subject to the deductible and payment requirements of the plan.

208.1312. Under no circumstances shall less than eighty-five  
2 percent of the funds appropriated by the general assembly for the plan  
3 be used to fund payment for health care services.

208.1315. The maximum enrollment of individuals who may  
2 participate in the plan is dependent on funding appropriated for the  
3 plan by the general assembly. Eligibility for the plan may be phased in  
4 incrementally on the basis of actions taken by the general assembly in  
5 the appropriations process.

208.1318. 1. An individual is eligible for participation in the plan  
2 if the individual meets the following requirements:

- 3           (1) The individual is at least nineteen years of age and less than  
4 sixty-five years of age and, subject to appropriation, for eligibility  
5 under 42 U.S.C. 1396u-1, earned income in the amount of the difference

6 between the income standard established for eligibility under section  
7 208.145 and one hundred percent of the federal poverty level is  
8 disregarded in place of the four month thirty dollar plus one-third or  
9 earned income disregard and the eight month thirty dollar disregard;  
10 or

11 (2) The individual meets all of the following requirements:

12 (a) The individual is at least nineteen years of age and less than  
13 sixty-five years of age;

14 (b) The individual is a United States citizen or eligible qualified  
15 legal alien and is a resident of Missouri;

16 (c) The individual has an annual household income of not more  
17 than the level established by appropriation, not to exceed two hundred  
18 twenty-five percent of the federal poverty level;

19 (d) The individual does not have access to health insurance  
20 coverage through the individual's employer. For the purposes of this  
21 section "access to health insurance coverage" means that the  
22 individual's employer-provided health insurance requires the payment  
23 of a premium not exceeding the amount set by subdivision (1) of  
24 subsection 1 of section 208.640 for individuals with incomes below one  
25 hundred eighty-five percent of the federal poverty level and the amount  
26 set by subdivision (2) of subsection 1 of section 208.640 for individuals  
27 with incomes one hundred eighty-five percent of the federal poverty  
28 level and above. The department may enroll the individual in the  
29 health insurance premium payment program if it is more cost  
30 beneficial to the show-me health coverage plan and as allowed by the  
31 centers for Medicare and Medicaid services;

32 (e) The individual has not had health insurance coverage for at  
33 least six months;

34 (f) The individual has household earned income above the  
35 temporary assistance for needy families limit; and

36 (g) The individual does not have household unearned income  
37 above the temporary assistance for needy families limit.

38 2. The following individuals are not eligible for the plan:

39 (1) An individual who participates in the federal Medicare  
40 program, 42 U.S.C. 1395, et seq.;

41 (2) A pregnant woman for purposes of pregnancy-related  
42 services, unless she does not qualify by reason of income for MO

43 **HealthNet for pregnant women.**

44 **3. The eligibility requirements specified in subsection 1 of this**  
45 **section are subject to approval for federal financial participation by**  
46 **the United States Department of Health and Human Services.**

47 **4. The plan is not an entitlement program for individuals eligible**  
48 **based on the requirements of subdivision (2) of subsection 1 of this**  
49 **section.**

**208.1321. 1. Individuals eligible under subdivision (2) of**  
2 **subsection 1 of section 208.1318 who participate in the plan shall have**  
3 **a health care account to which payments may be made for the**  
4 **individual's participation in the plan by any of the following:**

- 5 **(1) The individual;**  
6 **(2) An employer;**  
7 **(3) The state;**  
8 **(4) Any philanthropic or charitable contributor; or**  
9 **(5) Health carriers that include and operate wellness and health**  
10 **promotion programs, disease and condition management programs,**  
11 **health risk appraisal programs, and other similar programs. Such**  
12 **requirements shall not be considered to be engaging in unfair trade**  
13 **practices under section 375.936, RSMo, with respect to the practices of**  
14 **illegal inducements, unfair discrimination, and rebating.**

15 **2. The minimum funding amount for a health care account is the**  
16 **amount required under section 208.1324.**

17 **3. An individual's health care account shall be used to pay the**  
18 **individual's deductible for health care services under the plan.**

19 **4. An individual may make payments to the individual's health**  
20 **care account as follows:**

21 **(1) An employer withholding or causing to be withheld from an**  
22 **employee's wages or salary, before taxes are deducted from the wages**  
23 **or salary, the individual's contribution under this section and**  
24 **distributed equally throughout the calendar year;**

25 **(2) Submission of the individual's contribution under sections**  
26 **208.1300 to 208.1345 to the MO HealthNet division to deposit in the**  
27 **individual's health care account in a manner prescribed by the**  
28 **division;**

29 **(3) Another method determined by the division.**

30 **5. An employer may make, from funds not payable by the**

31 employer to the employee, not more than fifty percent of an individual's  
32 required payment to the individual's health care account.

208.1324. 1. For individuals required to contribute to a health  
2 care account under section 208.1321, participation in the plan does not  
3 begin until an initial payment is made for the individual's participation  
4 in the plan. A required payment to the plan for the individual's  
5 participation may not exceed one-twelfth of the annual payment  
6 required under subsection 2 of this section.

7 2. To participate in the plan, an individual shall do the following:

8 (1) Apply for the plan in a manner prescribed by the department  
9 of social services. The department of social services may develop and  
10 allow a joint application for a household;

11 (2) If the individual is approved by the department of social  
12 services to participate in the plan, contribute to the individual's health  
13 care account the lesser of the following:

14 (a) One thousand dollars in the first year adjusted annually each  
15 year thereafter by the federal consumer price index, less any amounts  
16 paid by the household under the:

17 (i) MO HealthNet program;

18 (ii) Children's health insurance program; and

19 (iii) Medicare program, 42 U.S.C. 1395, et seq., as determined by  
20 the department of social services; or

21 (b) Not more than the following applicable percentage of the  
22 individual's annual household income per year, less any amounts paid  
23 by the individual under the Medicaid program, the children's health  
24 insurance program, and the Medicare program, 42 U.S.C. 1395, et seq.,  
25 as determined by the department of social services:

26 (i) Two percent of the individual's annual household income per  
27 year if the individual has an annual household income of more than one  
28 hundred percent and not more than one hundred twenty-five percent  
29 of the federal poverty level;

30 (ii) Three percent of the individual's annual household income  
31 per year if the individual has an annual household income of more than  
32 one hundred twenty-five percent and not more than one hundred fifty  
33 percent of the federal poverty level;

34 (iii) Four percent of the individual's annual household income  
35 per year if the individual has an annual household income of more than

36 one hundred fifty percent and not more than two hundred percent of  
37 the federal poverty level;

38 (iv) Five percent of the individual's annual household income per  
39 year if the individual has an annual household income of more than  
40 two hundred and not more than two hundred fifty percent of the  
41 federal poverty level; or

42 (v) One percent of the individual's annual household income per  
43 year if the individual is not described in subsection 2 of section 208.145  
44 and has an annual household income of less than one hundred percent  
45 of the federal poverty level.

46 3. In no case shall the combined household contribution to the  
47 health care account and other deductible or co-pay exceed five percent  
48 of the annual household income.

49 4. The state shall contribute the difference to the individual's  
50 account if the individual's payment required under subdivision (2) of  
51 subsection 2 of this section is less than one thousand dollars in the first  
52 year or the amount each year thereafter as adjusted by the federal  
53 consumer price index.

54 5. If an individual's required payment to the plan is not made  
55 within sixty days after the required payment date, the individual may  
56 be terminated from participation in the plan. The individual shall  
57 receive written notice before the individual is terminated from the  
58 plan.

59 6. After termination from the plan under subsection 5 of this  
60 section, the individual may reapply to participate in the plan six  
61 months after termination from the plan.

62 7. The deductible that is required of individuals eligible for the  
63 plan under subdivision (2) of subsection 1 of section 208.1318 shall not  
64 be greater than the amount in their health savings account. The plan  
65 shall pay for any covered health services if the individual has made the  
66 required contribution to the individual's health savings account.

208.1327. 1. An individual approved to participate under  
2 subdivision (2) of subsection 1 of section 208.1318 is eligible for a  
3 twelve month plan period unless the individual fails to make a  
4 contribution to the plan as required in section 208.1324. An individual  
5 who participates in the plan without a break in service may not be  
6 refused renewal of participation in the plan for the sole reason that the

7 plan has reached the plan's maximum enrollment.

8 2. If the individual chooses to renew participation in the plan,  
9 the individual shall complete a renewal application and any necessary  
10 documentation on a form prescribed by the department of social  
11 services.

12 3. Any funds remaining in the health care account of an  
13 individual who renews participation in the plan at the end of the  
14 individual's twelve month plan period shall remain in the account. The  
15 state's contribution to an individual's account shall be suspended the  
16 month after the ending account balance exceeds one thousand dollars  
17 and shall resume the month after the ending account balance is less  
18 than one thousand dollars.

19 4. If an individual is no longer eligible for the plan, does not  
20 renew participation in the plan at the end of the plan period, or is  
21 terminated from the plan for nonpayment of a required payment, the  
22 MO HealthNet division shall, not more than one hundred twenty days  
23 after the last date of participation in the plan, provide for the refund  
24 to the individual the amount of any individual payments remaining in  
25 the individual's health care account as determined by rule. The insurer  
26 or health maintenance organization managing the health care account  
27 shall determine the allocation of the balance of the health care account  
28 between contributions by the individual and contributions by the state  
29 using a first-in, first-out basis of accounting.

208.1330. 1. An insurer or health maintenance organization that  
2 contracts with the MO HealthNet division to provide health insurance  
3 coverage to an individual that participates in the plan:

4 (1) Is responsible for the claim processing for the coverage;

5 (2) Is responsible for provider reimbursement;

6 (3) Is responsible for providing and maintaining health care  
7 accounts for each participant;

8 (4) Shall not deny coverage to an eligible individual who has  
9 been approved by the department of social services to participate in  
10 the plan; and

11 (5) Shall not charge a deductible exceeding one thousand dollars  
12 in the first year of the plan or the amount each year thereafter, as  
13 adjusted by the consumer price index.

14 2. An insurer or a health maintenance organization that



15 contracts with the MO HealthNet division to provide health insurance  
16 coverage under the plan shall incorporate cultural competency  
17 standards established by the Mo HealthNet division. The standards  
18 shall include standards for non-English speaking, minority, and  
19 disabled populations.

208.1333. 1. An insurer or a health maintenance organization  
2 that contracts with the MO HealthNet division to provide health  
3 insurance coverage under the plan or an affiliate of an insurer or a  
4 health maintenance organization that contracts with the MO HealthNet  
5 division to provide health insurance coverage under the plan shall offer  
6 to provide the same health insurance coverage to an individual who:

7 (1) Has not had health insurance coverage during the previous  
8 six months; and

9 (2) Meets the eligibility requirements specified in section  
10 208.1318 for participation in the plan but is not enrolled because the  
11 plan has reached maximum enrollment.

12 2. The insurance underwriting and rating practices applied to  
13 health insurance coverage offered under subsection 1 of this section  
14 shall not be different from underwriting and rating practices used for  
15 the health insurance coverage provided under the plan.

16 3. The state shall not provide funding for health insurance  
17 coverage received under this section. The individual participant shall  
18 be responsible for the required contribution to the health care account  
19 and for payment of the monthly premium established in contract  
20 between the MO HealthNet division and the insurance company or  
21 health maintenance organization.

208.1336. The MO HealthNet division shall promulgate rules and  
2 regulations for the implementation of sections 208.1300 to  
3 208.1345. Any rule or portion of a rule, as that term is defined in  
4 section 536.010, RSMo, that is created under the authority delegated in  
5 this section shall become effective only if it complies with and is  
6 subject to all of the provisions of chapter 536, RSMo, and, if applicable,  
7 section 536.028, RSMo. This section and chapter 536, RSMo, are  
8 nonseverable and if any of the powers vested with the general assembly  
9 pursuant to chapter 536, RSMo, to review, to delay the effective date,  
10 or to disapprove and annul a rule are subsequently held  
11 unconstitutional, then the grant of rulemaking authority and any rule

12 **proposed or adopted after August 28, 2009, shall be invalid and void.**

208.1345. The MO HealthNet division shall apply to the United  
2 **States Department of Health and Human Services for approval of a**  
3 **Section 1115 demonstration waiver and/or a Medicaid state plan**  
4 **amendment to develop and implement the plan, provided that any**  
5 **reduction of disproportionate share hospital funds applied to the cost**  
6 **of the plan as required by such waiver shall not be disproportionate to**  
7 **the impact the program has on Missouri's low income uninsured.**

Unofficial ✓

Bill

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